Benefits of DPCO, 1987

707/ DR. (SHRIMATI) SARQJINI MAHISHI: Will the Minister of INDUSTRY be pleased to state:

(a) whether it is a fact that con sumer is not benefited from Drugs Price Control Order, 1987 rather it has added miseries;

Ob) whether it is also a fact that Drugs Price Control Order is meant to provide benefit to consumers;

(c) if so, what are the details of benefits provided to the consumer un der Drugs Price Control Order, .1987;

(d) whether it is also a fact that "there are a number of deviations from the measures approved by the Cabinet in respect to Drugs Price Control Order; and

(e) if so, what are the details there of and reasons for the same?

THE MINISTER OF INDUSTRY (SHE! J. VENGAL RAO):(a)No, Sir.

(b) Yes, Sir.

(c) The DPCO, 1987 has been formulated with the main objective of ensuring adequate availability of all essential and life saving drugs of good quality to the consumer at rea-sonable prices.

(d) No, Sir.

(e) Does not arise.

Undue Benefits antf Avoidable Payments to Contractors by ONGC

708. SHRI N. E. BALARAM:

->SHRI CHATURANAN MISHRA:

"Will the Minister of PETROLEUM AND NATURAL GAS be pleased" te state:

(a) whether it is a fact that the Comptroller, and Auditor General of India in its latest report has pointed o«t five specific cases of undue benefits and avoidable payments totalling Rs. 10.18 crore to contractors by the ONGC during 1982-85; and

(b) if so, what are the details of these cases and the action taken, if any, by Government - gainst the persons responsible therefor?

THE DEPUTY MINISTER IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI RAFlQUE ALAM): (a) and (b) In the report of the Comptroller and Auditor General of India, Union Government (Commercial),, 1986^ five specific cases of avoidable payments made by ONGC in respect of some contracts have been reported. These refer to:

(i) An undue benefit of Rs. 5.10 crores to a contractor due to an. unauthorised deviation from the general conditions of the contract for procurement of KVX platforms.

(ii) Infructuous expenditure of Rs. 7.45 lakhs to a contractor for manning and management of offshore supply vessel 'Sindhu-ir, without obtaining the services stipulated in the contract.

(iii) An extra expenditure of Rs. 3.22 crores due to non-utilisation of temporary decks before monsoon in respect of NR-1 and NH platforms and loss of interest of Rs. 6.3<5 lakhs on the excess amount paid to the contractor in respect of these platforms.

(iv) Avoidable payment of Rs. 89.06 lakhs made to the contractor for SM, SP and SR platforms. These payments related to payment for buoyancy tanks, launch truss timber and.steel! wastage not forming part of the installed -weight

(v) Extra expenditure of Rs. 70.31 lakhs on the purchase of pour point depressent.

ONGC had conducted a detailed enquiry into the various audit observations and the matter at (i) above has now been referred to the Central Bureau of Investigation.

Giving of Contracts to Foreign Companies for Drilling in India

709. SHRI CHIMANBHAI MEHTA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that ONGC have begged oil drilling contracts in foreign countries in competition with foreign companies if so, what are the details of such contracts;

(b) whether it is also a fact that some foreign companies have recently been awarded contracts by. Government for oil drilling in Indian territory; if so, what are the details thereof; and

(c) the reasons for awarding oil drilling contracts to foreign companies in view of the position at (a) above?

THE DEPUTY MINISTER IN THE MINISTRY OF PETROLEUM AND NATURAL. GAS (SHRI RAFIQUE ALAM): (a) Nq, Sir.

(b) So far fix contracts have been signed with foreign oil companies for exploration and exploitation of hydrocarbons in, the following blocks.

Name of Block	Contract awarded to
KG-OS-I	Chevron International. Ltd. & Texaco Exploration India Inc.
KG-OS-VH	Do.
p-os-n	Do.
MN-OS-I	Do.
KG-OS-IV	International Petroleum (Bermud) Ltd.
KK-OS-VI	BHP Petroleum (India) Inc.

(c) The main reasons for awarding oil exploration contracts to foreign companies in India are:—

(i) Supplement th$_e$ exploration efforts of the national oil companies, namely ONGC/OIL.

(ii) Attract foreign risk capital.

(iii) Seek application of the latest technology available with these companies.

(iv) The entire data acquired by the foreign company will be available to ONGC/OIL and can be used . .by ONGC/OIL for their exploration activity in the adjoining areas.

(iv) ONGC/OIL will not contribute to the exploration costs but will be associated with the foreign companies work right from the beginning." Thus ONGC/OIL will get a varied exposure to the latest technologies being adopted by foreign oil companies for oil exploration..

(vi) If there is a commercial dis-' covery ONGC/OIL. will have the' option to participate 30 per cent in development and production of the discovery and would thus be en-